

WEDNESDAY 6th APRIL 2011

The Speaker, Sir Allan Kemakeza took the Chair at 9:30 a.m.

Prayers.

ATTENDANCE

At prayers, all were present with the exception of the Ministers for Foreign Affairs & External Trade; Education & Human Resources; Forestry; Infrastructure Development; National Unity, Reconciliation & Peace; Women, Youth, Children & Family Affairs; Communications & Civil Aviation; Environment, Conservation, Disaster Management & Meteorology; Culture & Tourism; Rural Development & Indigenous Affairs; Lands, Housing & Survey; Police, National Security & Correctional Service; Planning & Aid Coordination; Agriculture & Livestock Development; Provincial Government & Institutional Strengthening; and Member for West New Georgia/Vona Vona; Rennel/Bellona; Small Malaita; East Are'are; Temotu Pele, Russell/Savo; North West Guadalcanal; West Kwaio; Malaita Outer Islands; Shortlands; Mbaegu/Asifola.

PRESENTATION OF PAPERS AND OF REPORTS

- The performance Audit Report – Management of the Government motor vehicle fleet

BILLS**Bills – Committee of Supply**

The 2011 Appropriation Bill 2011 (*Committee of Supply continues*)

Mr Chairman: Honorable Members, we are now in the Committee of Supply to consider the 2011 Appropriation Bill 2011. I remind Honorable Members that there is a maximum of four days to complete our business in the Committee of Supply. Today is the second day. As I had stated yesterday, this period is extended because the question on the Second Reading of the Bill was carried on a day earlier than the last day allotted for the debate on the Second Reading as the

day or days thus saved may be added to the days allotted under Standing Order 63. However, it is not mandatory to use up all allotted days. If, even as early as today, we complete our considerations, we will conclude these proceedings and go straight into Third Reading.”

Again, may I remind all Members that when we consider each head, *Standing Order 64(3)* requires that we adhere to a few rules, that is to say:

- any debate on a Head must be confined to the policy of the service for which the money is to be provided;
- the debate must not deal with the details of any item or subhead;
- reference however may be made during the debate to the details of revenues or funds for which that service is responsible. Such details are available at the back of the *Objects and Reasons* of the Bill, that is after page 10 of the Bill.”

We will continue on page 6 of the Bill, Head 273 – Ministry of Finance and Treasury. Please turn to page 107 of the Draft Recurrent Estimates. Yesterday we stopped at page 106 and we shall continue on page 107.

Mr Sogavare: With your indulgence, we did not properly consider the Debt Management Unit so can I ask the Minister a question on page 106.

Just for us to better understand the strategy intended to be put in place by the Government to assist the SOEs. In terms of structuring of debts of the SOEs portfolio, is it more with the Solomon Islands Government or other financial institutions?

Hon Lilo: That debt assistance is from the Solomon Islands Government. If it comes under other sources it will be different treatment under this arrangement. This debt assistance has the implication of both equities. There is always the flexibility to convert it into an equity financing or assistance rather than a strictly debt assistance in the meaning of it.

As I have said earlier on there are also objectives of community services obligations that state owned enterprises have to deliver to communities and regions that would normally be treated as non commercial or uneconomical regions or in the case of transportation - routes. So you would find that in some areas in the budget, there are financing assistance that are geared towards assisting uneconomical routes that are either provided by the Government or that there would be considerations for the SOEs to provide those arrangements etc. But for this, there is flexibility to even consider equity financing.

I think the main issue that SOEs have to do away with is where they are treated as a one off expenditure out of the budget, which as you know in the past have not yield good realization on the return of dividends to the government and also building up the asset base and strengthening the commercial operations of the SOEs. I think this is where we need to change and shift this kind of arrangement that we have.

Mr Gukuna: It is interesting to hear what the Minister said in his response. If you get back to last year there was an allocation of \$10million but it appears that only \$6million of this amount was spent. We all know that all the SOEs owed very huge amounts. I just want to ask why that despite the fact that all of them owe a lot of money which means they need a lot of money, it appears that only \$6million was used. Is there any restriction on how this assistance is being given and that is why it does not allow that money from being fully used last year?

Hon Lilo: Of course, last year there is a provision of \$10million. This was with the understanding that the implementation of the State Owned Enterprises Act would have been complied with by all the SOEs. I stated yesterday that by November/December last year, basically two SOEs that have actually complied with the requirements to come up with what is called the corporate statement objectives, which is a report that would be submitted to the accountable ministers, so that we can make determination on how certain and predictable plans of the SOEs deliver their services to the communities or how would they view establishing a strong investment of business base for these entities.

Last year there were only two while some have actually overflowed into this year before they submitted their CSO, which is the corporate statement of objective. This \$3.5 is used just to refloat a bit the work of Sasape Marina before Sasape was privatized early this year. That is why we have ended up with this. It is true that we tried to apply some consideration on the way that we give the assistance to the SOEs. And this is all part of the ongoing commitment, not only by this government, successive governments that come in, and try to see that we work towards improvements of performance of the SOEs.

We have all been saying it in this House as well as outside, but when it comes to implementation we slacked down a bit. I think the main thing that we need to look at here is - how serious are we to try to get these SOEs, change these kinds of practice and make a turnaround in to the way that they are operated.

Mr Abana: On page 107 under budget payroll charges there is a provision for vacant positions under \$15million. Can the Minister explain this new line item there?

Hon. Lilo: Yesterday I alluded to one of the attempts in trying to capture the true cost of the payroll for public service. It is a very difficult task. Year after year we have been trying to reflect in the budget our real cost for the public service payroll. We have always been facing this difficulty until this system which is now in progress, but we have yet to really come to the stage to perfect this system, the Orion system that all the emoluments are actually captured So that we reflect what is shown on the bill is the actuals that we will meet.

You will note in the civil register list which is produced by the public service it has got the costing of the post, which if added up will show, the civil list should match the figures on the payroll but sometimes it does not match up too.

We have taken away the vacancy provisions from all the ministries and place them here. Not only the vacancy provisions but maybe space is not enough but it should also show any irregularities in the payroll would be picked up to cover up any other areas. For instance, the very good point raised by the member for East Choiseul in his letter to yourself, Mr. Chairman, that we may have understated the NPF provision. It is one provision that we can use to issue a departmental warrant to the Ministries, so that they can meet the shortfalls in the payroll. That is the provision, it is to cater for every vacancy so instead of Ministries having provisions on their payroll for the vacancies we keep it there, they submit to the office of the Prime Minister, public service satisfy that all requirements are satisfied and then we issue a departmental warrant for them to enable recruitment of the vacant positions that they have in the Ministries, that is the idea behind this.

Mr. Maneniaru: I am looking at page 106 item 4530 - creditors arrears. The budget is \$10.8million. I assumed this is the total of our trade creditors, a bit of a huge figure, that we are going to actually just reducing it, just as part repayment. I just want the Minister to clarify.

Mr Chairman: We have already passed 106 but because of your question, I will allow it.

Hon Lilo: The creditors are people that the government does business with every year. whereby within the fiscal year government would have paid them if the bills are submitted in time for government to pay the creditors, suppliers or other parties that normally involve with them including, for instance the Government rents our houses. I do not know some of you; in previous years but then because of the time cut off the way that government financial calendar year operates. They did not meet that, so this one is to meet those.

Last year it was around \$10million. We would want Ministries to reasonably predict what time they should meet these bills to all the creditors on any particular year. But then most of the time Ministries hold back or the time we face cash flow problems- there's a delay in payments and it roll over to the following year. So that is what this is all about. The ideal thing is for us to minimise this, so that we can meet it, all in one financial calendar year but sometimes it's a bit difficult. We hope that this year we would minimise this because it is a fully funded budget. So payment to all our creditors should be met on time. That is what we are hoping that we will do, thank you.

Mr. Wale: Page 109, sale of government properties. Last year it was \$20million regenerating, I think that was for the sale of Sasape Mariner, its assets. The revised budget for 2010, its income is only \$1.3million. That's my first question: what happened,

did the sale not go through or what? And then the second question is the estimates for this year of \$8.7, which assets are these? Is it the same assets that just come in, in 2011?

Hon. Lilo: That's right. It was expected that the sale of the Sasape Marina would have been concluded last year, but it did not, and this year it eventuate. That is why we have this situation there. And not only the Sasape Marina but there were also the inclusion sale of 60% shares in KFPL also last year which didn't eventuate, but that will happen this year. That is the situation there.

Mr Wale: Just a follow up question. In that case, how much did we get from the sale of the Sasape Marina and how much is the valuation of our shares in KFPL?

Hon Lilo: Sasape Marina, I can't disclose any figure otherwise it is not correct, but I will provide a copy of the figure in the honorable Member's pigeonhole. The KFPL would be, I guess, USD \$6million which will be plowed back into the company and also for repayment of NPF, tax, reduction of debts with commercials banks and etc. That will be the effect of that proceeds from the KFPL. Also the repayment of advances given by the government in the past, which instead of treating it as a one and off expenditure, it will be treated as an advance to the company. Unlike we did in the past where funds were just given out without being accountable for it and then it became a total drain. But I am going to provide the information to your pigeonhole.

Mr Wale: Just under that item is the CBSI net profit and again a \$5 million net profit was projected for 2010, revised is nil, and the 2011 budget is also again nil. Are they projecting a no profit or are they going to make a loss, and if so how much. That is the bottom-line of these projects.

Hon Lilo: Yes, there are ongoing disagreements between the office of the Auditor General and the CBSI over proper treatment of certain accounts. I could not remember it correctly, but as a result of the IMF definition of certain matters within which forms the balance sheet of the Central Bank, something to do with the debts, that the net effect of it shows that the Central Bank is running at a loss, and that is because of the new definition placed by the IMF not only on us here, but on all central banks and reserve banks throughout the world. Because of some of these issues that have to be sorted out in the CBSI's account, as a result of the effect of that re-definition made by the IMF, we are not able to make any declaration on the profits of the CBSI. That is still an outstanding legal matter and technical accounting in a sense that has to be resolved properly in the context of our Central Bank Act. And there is no way we can ignore that re-definition because, as you know, the overarching international body that governs the operations of all central banks and reserve banks throughout the world is the IMF, so everybody has to live up to the standards imposed by the Fund.

Mr. Sogavare: On page 112 - revenue item – 0470 - Personal tax (Government Paye). I am just interested on how this is actually affecting the Budget. I think the direct relevant question is the accounting treatment of this revenue because we do not actually collect it as such, but we just simply withhold it, it only reduces the payroll expenditures. Has the Ministry given some thought as to how it is actually affecting our budget?

Hon Lilo: This is partly because of the improvement of the financial management system that we have, which is an automated one. Whereas in the past because of limitations in the systems we are adopting to keep the records of all payroll related issues and also the overall financial management system that we just normally left it out –withhold it. But this new system actually captures it and fully records it in the books so that it reflects what is really the income earned by the Government as a result of that deduction out of the income by all government employees. That is actually recorded here.

When we talk about real cash accounting, it is money that we are holding there. The expenditure is processed against a pool of money that is held somewhere into that, and the recording is made in that way. Whereas in the past because maybe we run out of cash and that we only budget for money that is available there; we just only say, yes it is there, it is only recorded on paper but the actual cash is not actually realized. But in this case because of improved financial management system, all of it, both items on income and expenditure side of ledgers are captured in this new system.

Again, this is one good improvement made by the continuous reform and improvement we have on the whole financial management system.

Mr. Sogavare: Thank you Minister for briefing the House. On page 117, item 6001 – Legislation Review. The progress of this program and what further things will the Ministry does this year?

Hon. Lilo: Work on the review of the Customs and Excise Act still continues. Some minor approaches to the review done last year resulted in the enactment of the Customs Valuation Act, which is more focused on ensuring that there is more clarity in the way customs laws are enforced to make valuation on both import and export. Unfortunately, when the legislation came into this House, all of us overlooked that and only import valuation is stated but not export valuation. Therefore, that legislation has to come in again here for us to insert that part.

The ongoing review that needs to be done has to feature the new shift in trade relations we have now; international trade, including this movement of World Trade Organization (WTO) that we need to move towards free trade. The arrangements that we have in the negotiations of the PACER PLUS, the MSG arrangement and so forth, all of these have to come into the whole picture. The ongoing review will still take some time. As you know, the ongoing negotiations on PACER PLUS are still continuing right now as well as the MSG. The review in this context will still take some time so that we

put together all these things for us to understand what would be the whole picture and content of the review that is taking place.

I think the Customs and Excise Act is one of the biggest acts that we have, it is very thick and very complicated than any other acts. This ongoing process to review that Act is to ensure we arrive at a more simplified act and an act that is more properly consolidated, simplified, and efficient for us to use, not only for government but even for public use and consumption as well.

Mr Sogavare: Page 119. Can the Minister confirm whether the functions of insurance are still with the Ministry of Finance.? It was zeroed in 2010 and when the revised budget came, we have some more figures there and in 2011 it was all zero. Is that function still with the Ministry of Finance?

Hon. Lilo: The relationship of the office of the Controller of Insurance is one that we have to make it in such a way that it is put under a credible entity. The role of insurance in a way is prudential in nature as well, where you have to make sure that the quality of the insurance products issued by re-insurers inside the country or insurance companies inside the country are well developed and they secure the interests of premium holders, the consumers and things like that. But for the time being, the Controller is the Governor of the Central Bank, he sits there, but the powers of the Minister of Finance also remains. In the case where certain functions, for instance, if the insurance company cannot place the insurance here in Solomon Islands, the re-insurer has to be looked for somewhere, elsewhere that has the price that is within the capacity of that insurance company for it to reinsure. This is where it is exempted out of this territory to somewhere else, maybe in Fiji, Papua New Guinea or Australia and places like that. Mostly, re-insurance goes to Australia.

This is the function the Minister of Finance can do; to exempt it. But, of course, with the recommendation of the Controller himself which is placed under the purview of the Governor of the Central Bank for him to carry out that role.

But if in the future if there is need to return it back to the Ministry of Finance, by all means it can be done because the appointment of the Controller is done either through Public Service or is an appointment that is done by the Minister. The arrangement that was done in the past is to take it out from the Ministry of Finance and hand it over to the Governor to oversee it, and this is just because of the financial nature of that business.

Head 273 agreed to.

Mr Chairman: Unfortunately the supervising Minister is still at Government House and I was informed that he will be coming very shortly and then we will go back to the Ministry of Foreign Affairs. We will move on to Head 275 – Office of the Governor General.

Head 275 – Office of the Governor General - \$5,517,164

Mr Sogavare: I would like the responsible Minister to clarify to us page 144, item 6000 - Honours and Awards, and there is explanation there what that money is for. The question there is in regards to the categories of awards that we have in Solomon Islands. Does the Government any plans in reviewing these various categories so that there is increase to the types of award we are giving to our people? Can the responsible Minister clarify this to us?

Hon Philip: I have had discussions with the Excellency last month, and we all agree that there is going to be a review on this. I mentioned to him also that during his provincial travels that there should be another category of awards that needs to be given to the chiefs and other people during his provincial visits just to boost the morale of our senior citizens in those communities. The answer is yes.

Mr Wale: Firstly, I am happy to note the increase in allocation to provincial visits. I think it is good for the head of state to visit our people, perhaps more regularly. However, my question relates to this item - entertainment on page 143 – which has a substantial reduction. That office, obviously, one of its key roles is entertaining dignitaries and so forth. I wonder what the office is planning to do less entertainment or what.

Hon. Philip: Yes, it is interesting to see the reduction there. I think the current incumbent thinks that too much money should not be spent on entertainment, other than may be Queen’s Birthday and Independence receptions. I think the Office feels that that the allocation is sufficient.

Head 275 agreed to

Head 276 – Ministry of Health and Medical Services - \$222,284,698

Mr Sogavare: This question actually goes across all the units in this Ministry and this is to do with the vacant posts. We know that there is \$50million allocation there for vacant posts to the Ministry of Health; there is 177 vacancies in the Ministry of Health. There are a lot of vacancies here for nurses. I understand that a lot of departments are under established in terms of the post. What is the ministry’s plan, of course, it will work with Ministry of Finance whether the Ministry can fill up the 177 vacancies, especially those nurses who have just graduated from College and are still waiting to be employed.

Hon. Sigoto: The ministry realizes that it ought to fill up the vacancies. We are currently working with the public service and the Ministry of Finance to make sure we start recruiting right after this budget meeting.

Mr Wale: On page 150, staff travel and transport goes down substantially. This seems to be a recurring thing throughout the estimates. So perhaps it's not just for health but perhaps the Minister of Finance also. Whether this is reflecting the actual travel over the past recent past and therefore estimates are lower or we under budget and hope to pick it up in a supplementary? What is the actual situation, staff travel as traditionally going up because the fares are also going up too, when people travel during annual leaves. Thank you.

Hon Sigoto: This one is attributed to the fact that in the Ministry we make some sort of re-alignment and take out some cost that contributed to the reduction, as well as it came in with the Cuban doctors. I think that is the main contributing factor here that we do not have a staff increase. The alignment within the Ministry got rid of some of the posts.

Mr Tozaka: Just on the payroll salaries of public officers. Special duty allowances, overtime, other allowances. Is this the only three for administration? Can the Minister explain these three different allowances, especially the special duty allowance. What do we pay administration for?

Hon Sigoto: Special duty allowances are a normal allowance, it is an allowance that unions have fought for and workers can receive it. So it is an allowance that actually unions fight for, for its departments and its members.

Overtime, this is just a normal overtime for workers. Other allowances in Health are allowances that not included in the special duty allowances. So other allowances can contribute to danger allowance, dirty allowance, and such things.

Mr Tozaka: Sorry, I did not really get fighting the union, I do not really know what he means by the Union: that is all I understand. those that fight the unions, so you have to pay the fight or there is a special work that we have to pay this group for. I understand the technical side of it but it is only administration that I want to know.

Hon Sigoto: As I have said, normally this special duty allowance are claims that union give, they actually negotiate and receive for their work. I think that is what the special duty allowance is for.

Mr. Tozaka: Can you give me an example on admin, an example of the kind or nature of job that special duty allowance is paid. Just an example.

Hon. Tora: If I may try to help out on this question, the special duty allowance, in my understanding is fixed and paid to essential workers, and is different from overtime allowance. Like the essential workers, they work in a shift and they normally get that special duty allowance.

Mr. Sandakabatu: My question is on page 151, starting from 2009, \$13million plus then now on this budget it is \$14million plus. My question is, is there also any other program within the Ministry to build houses for staff.

Hon. Sigoto: Yes, the Ministry has plans to build houses. in its development budget.

Mr. Maneniaru: I am on page 151, item 4030 - conferences, seminars and workshop. Is a workshop or a number of it, we are going to host; if the Minister can inform the house of this expenditure of \$1million.

Hon. Sigoto: This amount of money will contribute to the Pacific Health Ministers Conference that we will be holding on June.

Mr. Sogavare: Page 162, the very last item-2079 on patient travel. I want the Minister to explain to us, who is entitled to this? Is it for sick patients anyone else? What about those accompanying the sick patient? What about a husband accompanying a sick wife who is referred to the National Referral Hospital, can he also claim the costs related to this patient travel?

Hon. Sigoto: The patient travel depends very much on the condition of the patient. If the case is very serious or there is a necessity for somebody to accompany them, then normally that can be considered. But not everybody who accompanies the patient should the Ministry meet their fares.

Mr. Wale: The rations are really going down to \$300,000. Otherwise our sick patients will go hungry. Whether, there is realignment in the hospital regarding rations. And it much the same with the equipment, it is quite a substantial reduction.

What is the basis for these reductions when there has been a complaint of varied diet regarding food and the materials that we need in the hospital.

Hon. Sigoto: This amount of money under this sub head, we captured it in the HSP support fund.

Mr. Sogavare: Just a follow up question. I understand this parliamentary committee in their enquiry already produced the report and it is with the Ministry. Where are we going to pick up their recommendation, if we want to implement those recommendations?

Hon. Sigoto: What actually happen with the reports and recommendation; they have already start looking at it. It might not actually address this in this budget, but the Ministry is aware of the recommendations and we are actually working as to what we can provide within this budget.

Mr Wale: Since page 169 ends with laboratory program, I want to ask about laboratory program on sending specimens to Australia. Does the Ministry any plans to perhaps, maybe not in the near future do all kinds of tests that would be required here, but are there plans to gradually build the capacity to be able to do most of the tests here in Honiara?

Hon. Sigoto: The laboratory service is working on its new policy and in this policy we will start to take onboard some of the tests that we can localize. We would be able to work on other areas to start to reduce the number of tests we send abroad.

Dr Sikua: Just a general question on the national lab testing program. Will this new policy include a mammogram for testing breast cancer?

Hon. Sigoto: Yes, I think the use of mammogram has come up. We have cancer cases in many women but we will actually address that on a different policy, not under the laboratory policy.

Mr Wale: This is in relation to the tests we send abroad, just roughly I am sure the Minister may not have the accurate figures, but proportionately what percentage of tests do we depend on sending overseas and what percentage do we have the capacity to do it here at No. 9?

Hon. Sigoto: I think about 30% - 40% of all the tests we do have gone abroad.

Dr Sikua: I am still on this mammogram for test of breast cancer on our women and girls. When will this policy be ready? As we speak, the cases that have been positive are due to lack of early detection which resulted in deaths due to breast cancer. I just want to know when this policy will be ready and what exactly this policy will entail. Because I understand that charity groups have been raising funds for this, but the Ministry seems to be pulling its legs and trying to delay the actual program and I do not know the reason why, and that is why I would like the Minister to explain it.

Hon Sigoto: The main reason for the delay is because there are no specialized people to operate the machine and our doctors need upgrading and must have specialized training for it. So we must look at it carefully than to take it on board now. But the Ministry is actually looking at it and we should come out with some recommendations at the end of this year with the new policy that we are still looking into.

Mr Ete: I want to refer back to page 166 on capital expenditure and equipments under National Medical Imaging on page 166.

Mr Chairman: We are already on page 171, but I will give you special discretion to ask your question on page 166.

Mr Ete: The recommendation of the Special Select Committee Report, which I understand when I was still there, we were looking at one CAT machine for imaging and a particular doctor was already trained for that. If you have a brain tumor and go to the National Referral Hospital, you will not be properly examined with those machines. You know we are dealing with people of Solomon Islands, and so when will the Ministry purchase such machines?

Hon Sigoto: The Ministry of Health is working on that.

Mr Hanaria: On page 170-on allowances. In the Ministry of Health we will see that allowances seem to be more than the wages under all the heads. My question is this; is this a problem staff shortage or daily scheduling or it is a normal arrangement within the ministry that allowances is always bigger than wages, because if you add that together \$410,988 while civil service salaries is only \$355,000.

Hon Sigoto: This is a normal practice because medical workers work during weekends, public holidays, after hours and so forth. It is a normal one.

Mr Wale: Page 172 – on laboratory there is an increase of \$53,000. Just pardon my ignorance, but I suppose this is referring to the laboratory next to the SICHE and whether that laboratory meets the protocols. I think one important objective of that is to meet the protocols for EU to help in our exports and, of course, other works too are going to take place there. But just for clarification from the Minister.

Hon. Sigoto: This is a very important laboratory, and yes that is the laboratory and it meets our standards.

Mr Sogavare: Page 173 - item 6001 – legislation review; maybe for the Minister to brief Parliament. What additional work will the Ministry do this year? We actually allocated \$168,000 in 2010, but only use \$68,000. It looks as if some work is still to be done so we allocate another \$168,000 this year. What is still yet to be done?

Hon. Sigoto: The Ministry of Health has almost 13 legislations. We are currently reviewing the quarantine under environmental health. So work is currently going on.

Mr Sogavare: Page 174: that unit actually exists for training and research. I want the minister to tell us whether the amount of \$26,622 is adequate to do the trainings which the unit exists for.

Hon. Sigoto: I think this amount under training and research is to support other trainings which will be carried out in our training and research center. Any other

training has its own funding. This is just to support other trainings which will come in the center.

Dr. Sikua: This is a general question, if this particular division is indeed for research, where is its research budget to carry out research? That is just for the Minister to clarify to us.

Hon. Sigoto: A lot of funding for research comes through other collaborations with other donors. This amount is just for that particular purpose.

Mr Hanaria: One interesting thing catches my eye on page 172 – item code 2153 on maintenance of patrol boat, what is that to do with national environment unit.

Hon Sigoto: I think this is a printing error, it is actually meant for boats and not patrol boats.

Mr Sogavare: I just want the Minister to brief this house on the work of the new unit, on page 178 - internal audit unit.

Hon Sigoto: The Ministry has an internal audit department within the Ministry, so we have staffs who actually work inside to do the auditing of the Ministry of Health.

Mr Wale: page 177 on eye division, this time I find that when I read I have to change my classes often, so I am a bit worried about the eye division. Is there any provision there for equipments?

Hon Sigoto: In the eye division we have a project under PGSP that we can do cut glasses, that kind of help. So yes, we have those services available.

Mr Tozaka: Page 176, social welfare development division. Just my thoughts, that division is slightly different from other divisions. What do you think, is that division in the right Ministry or it should be relocated because its work is slightly different from the area of health and medical services?

Hon Sigoto: I think the point raise, this division has been with us for a long time and we have good relations with and some of their work is also related to health, so I rather keep it under the Ministry of Health.

Dr Sikua: On the eye division, one of the important works this division does is the early detection of sight problem of 4 to 7 year olds, and this is very important for schools. This division has a provision for this task to undertake in every primary school to find out whether the child's eye is okay or not okay because it will affect the child's learning. Is there a provision in this budget for that?

Hon Sigoto: This function is a normal function of the division that they normally travel and detect these cases at the early stages of schools and the community as well. That is normally captured under tours and travel.

Mr. Wale: This will generally run across all the provinces. But the basis or formula used to calculate health services grant is what I want the Minister to clarify. How much each should each province be getting in terms of health services grant?

Hon. Sigoto: That is a very important question. The Ministry over time has been using population, and it also used activities, disease burden and so forth in trying to look at this allocation or funding. But the Ministry is working to further improve this.

Mr. Wale: My question is on page 181, and this is in light of the new Gizo Hospital. I am not sure whether completion of that project will be this year, and whether this budget will cater for that. Obviously, I am assuming there will be increased capacity when the facility is complete and therefore it might require increased budgetary provision. But if the project is not complete until next year, of course, then we are still talking about the old hospital here.

Hon. Sigoto: This project will be completed and handed over on August, this year. We have some money carried forward from last year to actually complete it. The Solomon Islands Government contribution to the hospital and that would be used to build the kitchen, a laundry and water as part of its contribution towards this project. The handing over will take place in August this year.

Mr. Wale: Just a follow up question. Because the allocation for Western Province is just the same as last year and that is why I have this question. I am of the view that if the project is completed, obviously its capacity will be increased as it is much better than the old one. Whether maintaining the same level of funding to the Western Province as last year, we might find that it might be under provided for.

Hon. Sigoto: The allocation of \$1.5million is to actually contribute to the capacity of the hospital.

Mr. Tozaka: Page 181 under Western Province, I can see there \$75,726.00 for Helena Goldie Hospital and \$151,452 for Atoifi Hospital. That is a difference of about \$75,000. Those two hospitals are church run hospitals, and are justified for the Government to help them. Can we increase this assistance to \$1million or something like that? In my view, it should be increased to \$1million for those two hospitals. I know they are not receiving the same amount right now, one gets \$75,000 and another gets \$151,000 but their contribution to the health service in the nation is great. What is your view on this, Mr Minister?

Hon. Sigoto: This amount is for the School of Nursing at the Helena Goldie.

Dr. Sikua: Just a general question relating to the staffing of provincial hospitals. Can the Minister confirm if there are residential doctors at the Buala and Kirakira Hospitals?

Hon. Sigoto: Kirakira has one doctor and two in Buala.

Mr. Ete: Would service grants that appear in the provisions for all other provinces also include equipment? I say this because would it come under that \$5million equipment for the National Referral Hospital because if you go to the provinces it is empty.

Hon. Sigoto: Yes, the equipment for provinces is also captured in this \$5million.

Head 276 agreed to.

Head 274: Ministry of Foreign Affairs & External Trade - \$25,365,638

Mr Sogavare: Item 2001 on page 124 as read with item 3104 on page 125. The question is, which building are we repairing for this \$630,000 allocation we are asking for this year, and which building are we renting with this \$900,000 allocation on page 125?

Hon. Rini: The \$630,000 allocation is for refurbishment of the old Ministry of Foreign Affairs office in the Prime Minister's office. That allocation is for refurbishment so that the ministry moves back from the current office to its previous office of before.

You would see a reduction on 3104 on office rent. The office is going to move back to its old location and so rent will be for the first part of the year and the second part of the year after refurbishing of the office they will move back and so rent is reduced to \$900,000 as compared to \$1.1m in 2010.

Mr Sogavare: The other one is item 2092 – overseas travel provision. The provision there is only for public servants. What about funds for the Minister's overseas trip?

Hon. Rini: That is for administration. Traveling for the Minister comes on the next page, on page 126 under Head 2093 - diplomatic travel.

Mr Sogavare: Item 6205 – there is no more allocation in there; are we no longer contributing to the running cost of MSG Secretariat?

Hon. Rini: All contributions to our international organizations including that organization come under 'Other bodies'; we lump them together under Head 4088.

The intention here is eventually all these organizations will be moved back to various ministries. For example, ILO will come under Commerce, other organizations that are related to the other ministries will go back to allocations in the ministries. The allocation here on 488 covers all the organizations that Solomon Islands is a member to and is paying contributions to.

Mr Sogavare: I want the Minister to clarify item 2072 – Staff Travel and Transport for the High Commission. Can the Minister clarify what that is?

Hon Rini: At the moment the Government is thinking of moving the diplomats, replacing them and putting new ones in various posting and so that allocation is to cater for movement of our diplomats.

Mr Pacha: I am sorry for dragging you. It is a general question on page 127, item 3400 – Mission Running Cost. I heard that we will setup an office in Geneva. Is that what will be catered for under this head or is it not?

Hon Rini: This is the running cost of our UN Mission at the United Nation, it has nothing to do with the running cost of what the MP for South Guadalcanal mentioned. Thank you Chairman.

Head 274 agreed to.

Head 277: Ministry of Infrastructure Development - \$54,468,067.

Mr Sogavare: Page 217 item 217-2010, especially printing on item 2017 with only \$8,000 this year. There is a big decrease by \$113,000, what is really happening here?

Hon. Fiulaua: Printing requirements are to be shared.

Mr Wale: Page 218 on house rent, there is a reduction there. I think a number of us noted the significant and importance of the economy in this Ministry – MID, and MID officials in their presentation to the PAC, when the issue of capacity of MID to actually deliver adequately respond to first, the resources provided under the national transport fund, and second, matching that with needs on the ground said that they are going to recruit at the supervisory level, the young graduates or perhaps even form 7 or form 6 leavers to be trained at technician and engineer level.

Obviously, the Ministry is looking at upgrading its capacity. But the reduction of house rentals makes me wonder whether that upgrade is being picked up directly by the National Transport Fund or under some projects that are not reflected in here where there is an actual reduction.

Hon. Fiulaua: We will have recruitment next year.

Dr. Sikua: I am right up to date, I am on page 219, item 6056 on gravel rights. I know the Ministry has ongoing contracts with gravel owners in my constituency. This amount looks too low. Do you think \$39,000 is enough, can the Minister clarify this?

Hon Fiulaua: This will be paid for under the transport fund.

Mr Wale: On page 219, -highway authority expenses. I am just wondering what the actual jurisdiction of this authority is. Which highways come under it and which ones are not under its jurisdiction?

Mr Chairman: Is there any such a board?

Hon Fiulaua: That one links to transport service.

Mr Wale: I do not think he has answered my question. It might not be clear, but I asked which highways, just by judging from the name, the highway authority and I thought some roads must be under the jurisdiction of this authority. Is it all roads, feeder roads in the provinces and the city here as well? I want clarification on that. Perhaps the Minister of Public Service who is just coming in and is an experienced man on MID might help.

Mr Chairman: We might ask the Minister of Public Service to explain this highway authority; I know it is a board.

Hon Sofu: This provision to highway authority is given to stakeholders that attend special meetings on planning infrastructures. For example, stakeholders like Ports Authority, SIEA, Water Authority and the Ministry of Infrastructure Development.

Mr Wale: Sorry to labour the point, but I am not asking about this allocation. The allocation is a bit small, perhaps because of its level of work, but I am asking about the jurisdiction of the authority - what does it cover and what it does not cover? When we come to grants to provinces, I think some grants are also to cover roads too, I think, and that that is why I want to know the delineation.

Hon Sofu: I now get the point of the MP for Aoke/Langalanga. The highway authority is for the Ministry to regulate the public transport road.

Mr Hanaria: Head 7501 - National Transport Fund. I want the Minister to explain a little the national transport fund. What is the use of the fund?

Hon Sofu: I wish to thank the Honourable Member of Parliament for East Are Are for asking that very important question that needs clarification.

The allocation you can see there is the contribution and commitment of SIG towards the National Transport Fund. The National Transport Fund Act was enacted in 2009. The purpose of establishing that fund is for aid donors to put funds inside purposely for infrastructures like roads, bridges, wharves and airstrips. That is the purpose of the National Transport Fund. That allocation is the commitment of Government towards the National Transport fund.

Mr. Tozaka: There is no overtime for this division, does that mean there will be no consideration for that allowance?

Hon. Sofu: The officers under the Land Transport division, all of them are above level 7, so I think overtime is not warranted there.

Mr. Wale: I just want to ask when the Ministry will move to its new location up at Ranadi. Whether everything is ready for that workshop to move up there? It has been a long time and ongoing issue but whether there is now any clarification on this one.

Hon. Fiulaua: It looks like anytime this year we will move everything to the new area. It would be sometimes this year.

Mr. Sogavare: On page 223, item 6190, wreckage removal, a new item. Where are we going to remove the wreckages to?

Hon. Sofu: Mr Chairman, can you give me permission to answer that question? Wreckage removal, as you know, there are reefs where some of our ships are wrecked on them and so it is the responsibility of the Government under the Ministry of Infrastructure Development to remove the wreckages from those places.

Mr. Sogavare: This is a new allocation and so where are wreckages now, this year that you are going to remove?

Hon. Maelanga: I think that allocation is for removal of the wreckage at Auki for the jetty that is going to be built there.

Dr Sikua: Page 223, item 2155 - maintenance of vessels for \$160,000. What kind of vessel is this, is it government vessel? I am not aware the government has a ship.

Hon. Sofu: After the privatization of government fleet, there is only one ship left, which is the landing craft VALI and currently it is under repair somewhere in Tulagi in the Central Islands Province.

Mr. Wale: With the introduction and enactment of SIMSA, the new regulations under the new Act, it obviously raises safety standards and standards generally, which we really want. But its direct impact, and the Ministry I know has been doing a very good

work on this, the Marine Division, by conducting awareness and educating our seafarers and ship operators in particular, to meet those standards. But a direct impact is that many of those, especially the bosun and engineers who must go for retraining at the School of Marine.

As you know, Mr Chairman, our good people from Aoke/Langalanga have historically made significant contribution to this sector, and they are really struggling because I think funds under this project only meet 7.5% of fees at the College and the other 25% is with them to upgrade. My policy question to the Minister is whether the Minister can look into this to meet all of it, since this is an imposition by law which we all welcome, but an imposition that operators cannot bear and therefore has direct impact on the sustainability of their businesses. If the Minister can confirm meeting 100 percent of it, then the Minister will stand for life because those from Langalanga will come to vote in Central Kwara'ae.

Hon. Sofu: The Government, I know, would want to meet the whole amount, but resources are limited. Yes, it is true that Government meets 75 percent but it does not stop there, it is subject to review when there are enough resources.

Mr Hanaria: I have a last question on page 223. This government wants to subsidize the non-economical routes on shipping service, I want the Minister to confirm whether that is catered for under hire of shipping under item code 2120 or elsewhere?

Hon. Sofu: To answer the question by the Member of Parliament for West Are Are, shipping to remote parts of the country is taken care of under franchising and not under this item code.

Mr Maneniaru: The honourable Minister for Public Service feels that I have one very important question. I would like to go back and my question relates to item code 6190 on page 223. I was looking for a much bigger provision on wreckage removal, and in particular relating to wreckages that litter the seafronts starting from the main market to Ranadi. Or is that seafront the dumping area for the wreckages or they should be removed and if so where is the provision for that?

Hon. Maelanga: I would like to thank the Member for West Are Are for the question. I think how I understand it is that it is the ship owners' responsibility to remove those wreckages. I was once a chairman of the Ports Authority and we agreed that wreckages must always be the responsibility of ship owners to remove the wreckages, and that is why you would see it not catered for in the budget.

Hon. Sofu: The seafront area from town to the main market is taken care of by the Ports Authority. This is just for clarification.

Mr Sadakabatu: My question is on page 225, item 3008 - plant replacements for quite a substantial sum of money. My question is, does the Ministry of Transport have a fleet of vehicles or a complete fleet for road construction and maintenance?

Hon Sofu: Successive government's policy is selling of government fleets, which I understand you know very well, Mr Chairman that the government does not have any fleet at the moment. But it privatized road works to private contractors.

As you can see, that line item is for the hiring of vehicles when the need arises during big occasions in the country, and that head is to cater for that which also includes vehicles for ministers, permanent secretaries and constitutional post holders. We too, at some point in time, would need to hire a ship to transport our vehicles from Honiara to the provinces, and that line item also caters for that.

Mr Wale: Page 225, regarding government vehicles like hiluxes, cars and so forth, are there people who are driving the vehicles who are perhaps not entitled to those vehicles but are garaging those vehicles at their homes. What procedural steps are being taken by the Pool to tighten that area up a bit? What is the Ministry doing to tighten this area?

Hon Sofu: It is very clear, and I think the question asked by the MP for Aoke/Langalanga is very important in that there is a guideline policy on government vehicles where only those who are entitled should be allowed drive government vehicles. By this, I mean it is the Ministry of Infrastructure Development that will issue driving permit to those who are entitled to drive a government vehicle.

In terms of disciplining officers who are not entitled to drive government vehicle, power is delegated to respective permanent secretaries who are to ensure to conduct discipline in their own ministries. This is very important and that is why I know the Member of Parliament for Aoke/Langa Langa is asking.

Hon Sikua: I think the question by the MP for Aoke/Langalanga refers to vehicles that the Ministry hires for people who are entitled for vehicles, like the ministers or backbenchers or chairpersons of SOEs and so forth. But then you see people who are not authorized to drive those vehicles driving those vehicles, the hired vehicles, not government vehicles. That is the policy we want to know; is there any policy for such vehicles? We are very aware of what the government's vehicle policy is about. But the question I think is meant for hired vehicles.

Hon Sofu: Normally, private vehicles that are hired for those who are entitled have a hire agreement, and that hire agreement spells out everything relating to the care and usage of the vehicle. And it is the same with government vehicle that anyone who is not entitled to drive such a vehicle should not drive that vehicle. That is in the agreement that was signed; we go into contract with the vehicle owner. Those who are entitled for the vehicle means they too are entitled to drive, and so they should have their official

drivers and only official drivers can drive hired private vehicles on hire for those who are entitled for a vehicle.

Hon. Lilo: Point of order. Just to come back to page 223, sub-item 2120 - hire of shipping. You would note that this is another omission that has been made to the title of that sub-item. You would note on page 215 that one of the last measures there is franchise shipping. That franchise shipping on that measure's description should relate to the hire of shipping there. The title should be franchise shipping scheme.

Before you put the question, Mr Chairman, I just want to notice the Committee that there will be an addendum brought in to correct this. It is a new government policy to provide franchise shipping arrangements to all uneconomical routes.

Mr Chairman: Will that affect the figure? Is that what the Minister of Finance was saying?

Hon. Lilo: The figure remains the same, it is only the title 'hire of shipping' that should read franchise shipping.

Head 277 agreed to.

Head 279 – National Parliament - \$34,274,956

Mr Sogavare: The responsible Minister to clarify to us page 234, item code 1030-1034: Members salaries and Members allowances. What is this? On page 238 there is an allocation there devoted entirely to Members of Parliament. If you can explain to us these two items as to how they relate to members salaries and members allowance.

Hon. Philip: Head 1030, 1034, 1035, these line items no longer exist under the headquarters line item. Somehow they appear in the recurrent with certain figures against them. This is due to miss postings of some MPs salaries and this has now been identified and measures have been taken administratively to adjust these miss postings.

These adjustments however, will not affect the overall total estimates for Head 279, National Parliament, which also includes all those heads from 1000, 1010, 1011, 1012, 1014 and 1015.

Mr Sogavare: If I get it from what the Prime Minister said, the adjustments would be made within Head 279, the mis-postings to headquarters/administration. The items referred to by the Prime Minister will be posted to appropriate divisions within Head 279 and therefore not affecting the overall allocation for that.

Hon. Phillip: That is correct.

Hon Lilo: This is part of the ongoing cleaning up of the payroll. Now you would find members' entitlements under headquarters, which is different from Parliament, it is put

under a different subhead because of our special nature our salaries are provided for under the Parliamentary Entitlements Regulations. To map out what the budget and the payroll implications of Members of Parliament is the new column there. But for the time being we have to read it together; because of the existence of these sub items in the budget we have to read it together. Maybe in the 2012 budget it will totally be phased out and so you will find there are zero allocations there and appear here in a different form.

Mr Sogavare: Page 238, again, this cleaning up mentioned by the Minister is still happening. If you look down at the bottom of page 238, item 2106 is Members allowances too. If you look on top at item 1034, Members allowances is there too. What is the difference between those two allowances?

Hon Lilo: Members' allowances at the bottom are related to the division in parliamentary allowances that is in here. There is a composite featuring of all the allowances here, of which some are allowances of parliamentary committees, some are allowances that are under parliamentary entitlements, and that is where you see the divisions here.

Mr. Sogavare: As they appear they are more or less the same things. If you want to differentiate them, then maybe those narrations need to be changed so that we know exactly what those provisions are for.

Hon. Lilo: That is right, it is a continuous process for us to try and clean it up and cluster all those allowances, like our grant allowances, sitting allowances of parliamentary committees and so forth and so forth and it is those things that are put together there.

Mr. Sikua: The entertainment allowances of the Leader of the Opposition and the Independent group are very low. I see the PM's is \$1.1million; we want to enjoy ourselves too, you know, when everything is not going right and so forth. I just want to ask the Prime Minister to clarify whether we can ask him to top up the entertainment allowance of the Office of the Leader of Opposition and the Leader of the Independent group?

Hon. Philip: If the need arises and there is a necessity for the Opposition wanting some functions for its work, I think we can consider it.

Head 279 agreed to.

Head 280: Ministry of Forestry -

Hon. Lilo: Unfortunately, just send in an urgent apology, that he will not make this morning but in the afternoon. Can he be excused?

Head 281

Mr. Sogavare: Page 258, item 3100 is for housing rent. We also have allocation in every Ministry on that. There is an allocation here for \$9.8million dollars. Who is that allocation for and then the next question on item 6007, the renovation of official residence. I guess that is the renovation for the Prime Minister official residence. When is the work expected to be completed?

Hon. Philip: The question related to that is a misposting, it should be under line item 1011 which is for staff housing and staff allowances that is paid through their salaries. In relations to the matter about the official residence, the maintenance stated here is supposed to be for design. It should not be for maintenance for residence. We are going to build a new residence for the country.

So this \$1million is for the design for the new Prime Minister's residence. We are not sure about the location; His Excellency was saying that he is occupying the Prime Minister's residence. We are not too sure yet what will this meant. But I think my other colleagues who stayed there in the past, it is not really a right place for the Prime Minister to reside in. It is really run down; the best thing is to pull it totally down and put more respectable and functional residence for Prime Minister. Where the Prime Minister is free to entertain his guest, both local and foreign dignitaries. It is an idea I tried to develop to give more respectable residence to future Prime Ministers. That is what the provision is for.

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Hon. Lilo: featuring of all the allowances here, some like the allowances of the Parliamentary Committee here. Some are allowances that are under the Parliamentary entitlements. So that is where you see the divisions here.

Mr. Sogavare: They are moreor less the same things, if you want to differentiate them, maybe those narrations need to be changed so that we know exactly what those provisions are.

Hon. Lilo: It is a continuous process for us to try and clean it up and cluster all the allowances like our grant allowances, sitting allowances of parliamentary committees and things like that; all those things are together there.

Mr. Sikua: Page 236, 237 - the entertainment allowance of the Leader of the Opposition and the Independent group is very low. I can see the PM's is \$1.1million, we want to enjoy too, you know when everything is not going right. I just want to ask the Prime Minister to clarify this. Can we ask him to top up the entertainment allowance of the office of the Leader of Opposition and the Leader of the Independent group?

Hon. Philip: If the need arises and there is necessity for the Opposition wanting to host functions in regards to its work, then I think it can be considered.

Head 279 agreed to.

Head 281: Office of the Prime Minister & Cabinet - \$66,019,252.00

Mr. Sogavare: Page 258, item 3100 is for house rent and there are also allocations in every other ministry on that. There is an allocation here for \$9.8million. Who is that allocation for? The next question is on item 6007 on renovation of official residence, and I guess that is renovation of the Prime Minister's official residence. When is this work expected to be completed?

Hon. Philip: The question relating to house rental is also a miss-posting which should be under line item 281-1111 which is for staff housing, staff of PMO and staff housing allowances that are paid through their salaries.

In relation to the matter about the official residence, the maintenance stated here is supposed to be for design and not for maintenance of the Prime Minister's residence. We are going to build a new residence, not for me but for the country. This \$1million is for the design of a new prime minister's residence. Its location, we are not yet sure about. His Excellency was saying that he is occupying the Prime Minister's residence, and so we are not too sure yet as to what this means. But I think my other colleagues who have lived in that residence in the past would know that that is not really the right place for the Prime Minister to reside in. It is really run down, and so the best thing is to pull it totally down and build a more respectable and functional residence for the Prime Minister where the Prime Minister is free to entertain his guests, both local and foreign dignitaries. At the moment that is not possible.

This is an idea I am trying to develop to give a more respectable residence to future prime ministers, and that is what that provision is for.

Mr Sogavare: Thank you for those information given to us by the Prime Minister. In fact, we fully support and endorse the idea of building an official residence of the Prime Minister, and I think it should not only be the Prime Minister but the Speaker of Parliament as well as the head of the Judiciary, the Chief Justice. May be we need to think about building three official residences for these three heads of different branches of government.

But my question really is on specific items on page 258. There is an allocation of \$9.8m there for house rent, and the question I asked is that we also have house rent allocations in all the other ministries too, which runs into millions of dollars, the allocations and here we have another allocation here under the Prime Minister's Office of \$9.8m. Who is that allocation for?

And then the other specific question I asked was item 6007 – renovation of official residence, which has \$68,000 allocation on that. I take it that that is for renovation of the official Red House. And my specific question on that is when will this work be completed?

But I take the new information provided by the Prime Minister and so is the Red House no longer would be renovated or is it going to be renovated and the allocation for that is \$68,000. If that allocation is for that purpose, when is that work going to be completed?

Hon. Philip: House rental is really a big scourge in our system, which we are going to tolerate for some years to come. As you can see, there is a bit of reduction on it this year as opposed to last year of about \$1.9million. Nevertheless, it remains a very high cost in running a country and a government institution. But that I think relates to the new intake of contracts in the Prime Minister's Office, both political appointees and also for officers in the new set up of the Bureau where we are going to have some more people to house, and that is what that amount is for.

On renovation of the official residence, there are a few things at the official residence on top there that needs repair. We are still working out the idea that if design is carried through as opposed to building a new residence for His Excellency the Governor General, then maybe that particular aspect might become redundant.

Also certain options are available where that house can become the official residence of the Deputy Prime Minister if we can find another location and site for His Excellency's residence, which used to be somewhere up at Lawson Tama. But we will check on that because I think I heard the last government has given a portion of that land to the FFA, and so we will try and check, whether the balance of the land there is enough to build a residence for His Excellency, the Governor General, we might start from there.

One of the things that is still hazy on this aspect of an official residence for the Prime Minister or an official of His Excellency the Governor General and others is that I think it is going to be a comprehensive policy to provide respectable residences for most senior members of the state. But for the moment, I think let us keep this in place and see how we can further develop the concept and provide a little bit more maybe in the end of year meeting or a supplementary appropriation where things will become a little bit more clearer after consultation with various people are put in proper.

It is a minimal amount on renovation of the official residence of the Prime Minister; I do not know what we can do with that amount. But there are few things that can be done with it like the servants quarter. Also the guardhouse is run down but

those repairs can only be done if the Prime Minister resides there definitely. It is a good question that we have to look at properly.

Mr Sogavare: I would like to ask a last question on page 258, item 6005 – constitutional reform. I am not sure whether work on the new federal constitution is also catered for in that line item. If that is the case then maybe the Prime Minister should brief Parliament on the work plan of government in bringing about a new federal constitution for Parliament.

Hon Philip: That is exactly what the provision is for, and it is to continue and conclude the work of the CRU this year. We have the first draft already which has gone through the canvassing process throughout the provinces. I think this week the boundary delimitation conference is being run somewhere here in Honiara on consultations and technical expertise. Once all those are compiled and put together, they should be able to put together a second draft, which will become the document that will guide the government towards the implementation of a new constitution of Solomon Islands.

I think they still have a little bit of money with them and so that \$5.3million might be sufficient to complete and accomplish what the CRU has for the rest of this year.

Dr Sikua: Just a follow up question on item 6007 – Renovation of Official Residence. Mr Chairman, as you know, this allocation of \$75,000 which sometimes is \$70,000, always appears in that item every year. When you were there, Mr Chairman, when the MP for East Choiseul was there and when I was there, this provision always appears there for ongoing upkeep and renovations of the Red House in the case where a door knob falls down or any louver is broken or the floor rots, that provision is always there for ongoing upkeep and renovation of the official residence of the Prime Minister. With regards to the guardhouse, I think the allocation for that would come under the Ministry of Infrastructure Development as well as any other major work normally comes under the Infrastructure Development Ministry.

When I moved into the official residence of the Prime Minister, which is the Red House, it has just been renovated after the Member for East Choiseul vacated it, it was renovated for about a month and a half before I moved in. When I left the residence after residing in it for about two years eight months, the only thing that needs renovation or replacement are two door knobs; one door knob for the master bedroom and another one for one of the bedrooms.

My question is in regards to rentals. I think whilst waiting for the plans to come through, why did the Prime Minister not go and reside in that residence whilst waiting for these plans to materialize before he can move out if the choice is indeed to build a new residence at the same location before he can move somewhere else like where he is staying now.

My question is for the Prime Minister to clarify to us rather than renting a house and leaving this very important government asset empty, and I do not know who is

staying there at this time. But every time I drive up I would see some people there. This is just for the Prime Minister to clarify to us why did he not move in to stay there in that house whilst all these plans are coming up before he can move out?

Hon. Philip: That is exactly the problem. I think we have got into this habit of “stay here for the time being”, and then it will never happen. I think we have to make some very strong political decision to scrap it if possible, make a new design and build it.

What I was saying is that we should build a government house so that the Prime Minister can move into a government house. I do not buy the idea of “Prime Minister, you just have to move in first and repair that lock and so forth”. I think it will never happen. I have a different opinion on how to do things. Yes, it is expensive to live in a private residence, but I also believe that if we do not start anything it will never happen.

I just have to swallow that political pride and make sure there is enough provision and make a policy decision on whether we have to now start a design for His Excellency the Governor General’s house on top of Lawson Tama with that \$1million and when that is finished the Prime Minister can move into where the Governor General stays now. This means the Red House would have to be renovated or a new house built perhaps for the Speaker, the Chief Justice, Foreign Affairs or the Deputy Prime Minister.

What I am saying is that we are renting a private residence, but if I move into the Red House, things will remain the same as they are. I think we should get things much organized, talk with officials in the Governor General’s office and our department to see whether that money can be transferred straight to build the house on top of Lawson Tama if there is enough land. But I heard that the last government has given a big portion of that land to the FFA and so we have to find out this information first.

Mr Wale: Page 263 on publicity and promotion has increased significantly; there is almost three times increase to the private office of the Prime Minister. I just wonder whether they are any major publicity or promotion or activities coming up giving it a triple increase like this?

Hon. Philip: This increase relates to the new reforms that the government envisages implementing this year to promote things like land reform. It also has a lot to do with awareness, making sure that people understand what the reform is all about, the growth centres, and what our communication department will tell people about issues of land and what are the pros and cons on some of the new reforms the government is trying to promote. Yes, there is almost triple increase on this particular allocation.

Mr Sogavare: Page 262, item 6029, probably there is need to change some of those narrations. We have already gone through this, but court witness I think is for witnesses that come to give something to the Leadership Code Commission. As it stands now, it is presented there as ‘court witness’. I think we should remove the word ‘court’, or how is it?

Hon Lilo: That is correct because the Leadership Code Commission is not a court but it does have the power to invite witnesses and so this expense is for the witnesses.

Hon Philip: I think it is the narration there that is confusing. It is really provision for witnesses of the Leadership Code Commission.

Mr Sogavare: Page 264, I just want to know the progress of the commission of inquiry on RIPEL. There is \$900 000 allocation for it and so what is the progress of this task?

Hon Philip: The Commission of Inquiry on RIPEL was suspended. I think it was the Commission of Inquiry into land dealings on Guadalcanal that is still in existence. But I have to check that.

Last time the Commission of Inquiry into RIPEL, and I do not need to go into this anymore, but I have to check on this \$900,000. But the provision we will use to address RIPEL is in the development budget for the two committees that I have established to look into the outstanding RIPEL inquiry which came through last year.

Mr Ete: I am looking at page 265, Head 281, all the personal emoluments under the payroll. I understand the previous Cabinet approved only 16 people to be under the Bureau. However, I can see that this is quite excessive, this amount \$4,771,550. Previously when I was the Minister for Public Service, we agreed on a sum of only \$3.4million. How many other people have been recruited under this Bureau, thus increase to the emoluments?

Hon Philip: Which head?

Mr Ete: Head 281, subhead 0077, item 1010 to item 1015. All these personal emoluments are what I am querying. And I presume that they are under contracts. My question is how many more people have been recruited under the Bureau. I understand that Cabinet only agreed for 16 personnel, but those emoluments have increased.

Hon Philip: The number of people that work in the Bureau is roughly around six to seven directors to oversee a number of reform programs the government is going to do. The structure of the Bureau is basically a director general under whom would be around five to six directors, consultants, and under them would be project development officers (PDOs) who are tagged to specific projects throughout the country, and so quite a number of people will man the Bureau.

The posts will be advertised to the public service and people outside so that we attract the best people -professionals who are able to do the job. At the moment I have already engaged two staff, one on land reform and another one for major project unit – directors and still another three or four more needed. But all the jobs from the director, consultants right down to project development officers will be advertised soon so that right people can come in to work to implement reforms in the Bureau.

Mr. Sogavare: I just want to go back to the RIPEL inquiry, and maybe the Prime Minister need to clarify to us so that we can understand it properly. He said there is \$5million allocation in the development budget on rehabilitation of RIPEL, and then this \$900,000 allocation on item 6304 is what I am interested in. If the inquiry no longer exists – has ceased its work then what is this \$900,000 for?

Hon. Phillip: When I launched the policy on RIPEL, I established a strategic policy to establish two committees, and those two committees are one is a three-man negotiation team that deals with mortgaging, shareholders and whoever are the main stakeholders. Then there is another committee we established called the special taskforce to work on Russell Islands' situation to try and create a pro investment climate on the ground, and that process is continuing at the moment. That \$900,000 will be used to facilitate the work of the special taskforce, as well as the work of the three-man negotiation team, which is progressing very well. I think we should be able to come out with an exit package very soon within the next 30 days. I think we will use that money to facilitate the remaining task over to the committees.

Dr. Sikua: Given the explanations given by the Prime Minister on this Commissioner of Inquiry, it means the Commission of Inquiry has discontinued its work. Because the purpose of the Commission of Inquiry into RIPEL is different, and I think we need a proper narration there for use of this \$900,000.00. My understanding is that, in essence, the Commission of Inquiry into RIPEL is now discontinued.

Mr. Sogavare: On the Ombudsman's Office, item6307 on renovation of official residence. Is there an official residence of the Ombudsman?

Hon. Phillip: I think it is just a residence, a government quarter that he is occupying to do some repairs on it.

Head 281 agreed to.

Committee stage suspended at 12.33pm

Committee of supply resumed at 2.11pm

Head 280: Ministry of Forestry & Research - \$17,804,4386

Mr Sogavare: On overseas travel head of the Minister - item 2091, only \$10,000 is there. Is the Minister thinking of going overseas this year?

2.16

Hon. Tovosia: This \$10,000 is just for unforeseen things.

Mr Sogavare: The very name of this Ministry is Forestry and Research. But when we come to the provisions for research, what is allocated for the various units there is just \$10,000, very small provisions. What does the ministry expects to achieve with such small provisions when research is a very part of the ministry's responsibility.

Hon Tovosia: We asked for more but this is how things are put just for the sake of scrutinizing the budget. But maybe there are avenues like the CW that can be resorted to. But we recognize that research is an important part of our ministry. Yes, we regard research as priority in the ministry.

Dr Sikua: The timber management unit, what has happened to it because it appeared in three places on pages 245, 247 and 248 all with zero allocation? Has it moved somewhere? Can the Minister clarify this?

Hon Tovosia: It has been removed from the others and merged under one division.

Mr Sogavare: Item 0036 under income, \$1.5million for timber operation application fees. I want the Minister to explain that to us, but I take it as government policy that there is moratorium on issuance of new logging license. Here a revenue of \$1.5million is envisaged, how are those policies going to be reconciled, or is it for something else? How certain is the government that it will collect this \$1.5million?

Hon. Tovosia: I think there are two things here, but we have tied them together and that is why this amount looks like this.

Hon. Sikua: Page 251, the revised budget of timber negotiations, item number 6061, has reached \$2million last year. However, it has undergone a much reduced sum of \$30,000 for this year. Are we not going to have many timber negotiations this year? Why this big decrease of \$1.9million? I want the Minister to clarify to us.

Hon. Tovosia: I think this is a one-off payment for Sylvania employees.

Head 280 agreed to.

Head 283: Ministry of Police, National Security & Correctional Services - \$123,373,379

Dr. Sikua: Item 1172 on retirement benefits, last year it reached \$4.2million but there is no allocation for this year. I want the Minister to clarify whether he does not envisage any retirement from the police force this year or has the allocation moved somewhere else?

Hon. Tora: There is no allocation on retirement benefits this year, but last year 2010, about 38 officers retired from the Force.

Dr. Sikua: Page 279 on police capability plan, item 6770 which has a big allocation of \$4.5million. What is still left of this plan yet to be done? I would have thought it is already completed.

Hon Tora: This allocation item has been left out initially, however, I see it necessary for it to be reinstated by the Ministry of Finance under headquarters, and it is to cater for any needs arising in the Police Force. For instance, to supplement the operational needs of the Force and to secure land. As we know, sometimes landowners ask for upfront payment. It is also to accommodate police officers whose houses are demolished for construction and also for operational commitments of the Police Executive and the Ministry.

Dr Sikua: I thought the police capability plan is a plan that would be written into a book to plan the capability of the Police Force. The way the Minister explained it seems to me it would be used for operational purposes. I want a bit more clarification from the Minister on this \$4.5million because last year \$5million was given. My view of a capability plan is something written out in a book and I think I saw one in the last couple of years, and so I thought it was already completed, but another \$4.5 million was put here. Or is it an operational plan?

Hon Tora: The Leader of Opposition is quite right that under our previous government, that allocation was never utilized, the Commissioner of Police has not put it into use. Last year I requested if this could be shifted from under police to headquarters to meet all the shortfalls, like sometimes things happen unexpectedly and this is where this allocation can be used. This year this is reduced and that is why we can see an allocation of only \$4.5 million there.

Mr Sogavare: Pages 280 and 281. When you look at the title of this unit, it is still 'Prison Service'. I thought a law has been already brought to this Parliament and the name of this institution has changed to 'correctional services'. These are little things but it matters how our resources are used to advance the objectives of that particular organization. When you look at the items being funded, it is still funding the concept of prison, and so 'prison uniforms', 'prison program' and so forth. Our thinking should be redirected from 'prison' to 'correctional services'. That is the concern I would like to raise before I ask another question on page 281, item 6222 - parole board cost. Can the Minister outline his work plans on that particular allocation and the policy rationale behind it?

Hon Tora: I want to thank the Member of East Choiseul for his comments on the old terminology still being used here as "prison service". I will take note of that concern. It is true that the term 'prison' should not be used now. I assume that this is only a draft

and so when the final one comes, we will make sure that the terminology there is changed.

In regards to the second question, which is the parole board, I think we are all aware that the parole board has been established and therefore will need to come for meetings, four times a year, this provision will meet things like accommodation, transport, upkeep of the office in terms of stationeries, computers and so on. When an office is newly opened, it needs to have equipments like those. The office needs to look after itself when its members come to attend meetings.

Hon. Lilo: Just to add on to the very excellent response given by the Minister of Police. Yes, we noted the narrative on that particular section because the constitution has already been amended to refer to that institution as 'correctional services'. We have noted those narratives and they will be added on to reflect that change.

The cost to the parole board is a statutory body under the new correctional services and therefore it must be independent in the way it operates. This cost is to enable the board establish where the office will be located, pay for equipments and materials to enable the office to be properly established. That is the intention of this provision. Maybe next year it will go down because the running cost will be must lesser than the establishment cost as it appears this year.

Dr. Sikua: Page 381, item 303 – rations of more than \$3.3million, which is basically more than rations for KGV1 and Waimapuru put together, the two government boarding schools. I just want to ask how many prisoners we are feeding here.

Hon. Tora: On ration there are six correctional services in our country, and this amount caters for those six correctional centres. As we know, if they are only given taiyo, they will complain because they need to have good food in prison.

Mr. Sogavare: On page 282, item 2080 - leave travel. If you look at the staffing of civil service salary, there are only one or one and half people or two people there. That is too much travel for just two people for this \$1.1million as travel allocation for that small unit. Can the Minister explain whether some more people will be catered for under this allocation?

Hon. Tora: This leave travel should be posted to page 315 under human resources, and therefore increasing the amount from \$2.5m. This line item is to cater for officers and their families when they go on leave, and it also caters for their entitlements as per General Order rates.

Mr Tozaka: Page 281, item code 3084 – consumable/surface. Can the Minister explain what this means?

Hon. Tora: This item code caters for prisoners' cleaning detergents, washing soaps, mops and buckets for all the correctional centres that I mentioned earlier on today.

Dr Sikua: Also on page 281 – item 4132 – Regional Police Chiefs Conference. Is one of such conference going to be held here this year?

Hon. Tora: That is correct.

Mr Sogavare: I want the Minister to confirm that this leave travel on page 280 when the final draft comes will be posted to human resources? Is that the confirmation?

Hon. Tora: Yes.

Dr Sikua: I noticed the item on community policing and touring allowances spread across a number of divisions within the Police. If you look at the Community Policing division itself, it is there and so as the other divisions, for example, it also comes under Fire Service too. Is the whole Police Force going ahead to conduct this idea of community policing and that is why it is spread across like that or is it the work of the Community Policing Division itself within the Police? I just want clarification from the Minister.

Hon Tora: Yes, the MP is right in saying that community policing provision is spread across a number of divisions. This is to cater for traveling of officers to go out to perform their duties and at the same time trying to establish public relations with communities and the stations they visit. But I would like to suggest that in future budgets, all these should be consolidated under one item.

Dr Sikua: Page 296, item 3233 – purchase of OBM/canoes/boats has no allocation this year. I take it that the Ministry now has enough canoes and OBMs and that is why there is zero provision there, because there was \$500,000 in last year's budget for it. If the Minister can clarify that his ministry no longer needs any canoes and OBMs now under Corporate Services and Logistics.

Hon Tora: It is true that last year there is provision for OBMs and canoes. Earlier on today the MP asked a question on the capability fund. That is where we can tap in to fund this. Right now RAMSI is assisting the small stations on logistics.

Mr Tozaka: Page 302 - band equipment, item code 3231. This is just a general question to the Minister; are you purchasing new instruments for our band?

Hon. Tora: I would like to thank the honourable colleague for North Vella Vella for the question. Certainly, we will purchase some new equipments for our band.

Hon. Sikua: Page 306 – item 3030 – ration. Malaita Province has that item for ration whereas other police stations in other provinces do not. Like Guadalcanal, for example, just on the other side, does not have it whilst Western Province does, Choiseul does not have it and so forth. Why is it like that?

Hon. Tora: You will see that some police stations in the provinces do not have this provision for ration whilst others have it. This provision is to meet the ration of people arrested and detained by Police in cells in places like Auki, Gizo, Kira Kira, Lata and so on. Those people must be fed and that is what that provision is for.

Hon. Sogavare: I just want the Minister to explain the work of this unit on page 314 - provincial station supplies. What is the work of this unit?

Hon. Tora: I would like to thank the colleague Member for East Choiseul for that question. This section is like the procurement group in each of the provincial centers and its work is to do purchasing works such as IT to make sure everything is in order, purchase of stationeries and so forth.

Mr Sogavare: Just a follow up question. So this is administered centrally here and who actually administers it here because there are no people here but just the other charges. Which group administers these expenditures?

Hon. Tora: This is to coordinate and provide logistic supplies to the provincial stations.

Mr Sogavare: He still did not answer my question. I take it that it is administered centrally, as there is no salary here. I guess this is an allocation to acquire items itemized on that page 314. But who actually administers this, which unit?

Hon. Tora: This procurement was administered at the headquarters. When need arises for those things I mentioned from each provincial centers, they submit their request and everything is purchased for them before disbursing to each station.

Head 283 agreed to.

Head 282: Pensions and Gratuities - \$4,675,186

Mr. Sogavare: I just want the Minister's clarification on item 2057 –pensions and gratuities, which has a provision of \$6.6million. The narration there is pensions and gratuities and then there is a whole list of pensions, specific allocations for provinces. Whose pensions come under item code 2057? Which portion of it is pension and which portion is gratuity?

Hon. Lilo: These are for former governor generals, and formers members of Parliament. You are inside here.

Head 282 agreed to

Head 284: Ministry of Provincial Government & Institutional Strengthening - \$71,506,140

Mr. Sogavare: Page 323, item code 1030, 1034 – members salary/members allocation with an allocation of \$47,000 and \$7,000 respectively. Who are those for, which members?

Hon. Folotalu: Item code 1034, in this case it is an account incorrectly created by the Ministry of Finance & Treasury payroll for wrong MPAs salaries posting effected by the Aurion payroll system.

Mr. Sogavare: So how is it going to be eventually corrected? Where are they going to be posted to?

Hon. Folotalu: Under 1080.

Mr. Sogavare: Page 234, item doe 4127 - provincial assembly members ward allowance for \$8.3million. I guess that is the equivalent of RCDFs and payments that come through Members of Parliament. A question was put to the government before about accountability process, and the assurance given was that a system will be put in place to make sure provincial assembly members are accountable for those moneys which are given to them as ward allowances. Has the Ministry come up with an accountability process or guidelines to issue to provinces to guide members on how they use their ward allowances? Because I do not know what ward members in my constituency are using their grants on?

Hon. Folotalu: Our legal advisors are now working on it.

Mr Sogavare: I see.

Dr. Sikua: Just a general observation. It looks like all the grants for the provinces are lumped into the provincial services grant and are not separated like before. I just want confirmation from the Minister on this. Because before the provinces have revenue sharing grant, library grant and so on and they are now zeroed and these are now lumped under provincial services grant. Is that case?

Hon. Folotalu: That is correct; everything has been put together under this one grant.

Mr. Wale: I just want to know the basis of formula in calculating service grants to the provinces.

Hon. Folotalu: It is 80 per cent on base level. It is 80 percent based on population, for instance if the population of a province is much smaller, it will also be small, but if it is a big population like Malaita then it will also be much bigger.

Mr Sogavare: Is the function of the Town & Country Planning Board centralized? Does each province has its own town and country planning board or is it a centralized function?

Hon. Folotalu: It is still with the provinces.

Mr Sogavare: Just a follow up question. But their allowances are now zeroed in the provinces. Therefore, if they are holding meetings where would they get their allowances from or are they not going to be paid now?

Hon. Folotalu: It comes under other allowances in the provinces.

Dr Sikua: Page 334 of this head. I want to ask the Minister on the functions of the provincial governance division. What is the function of this division?

Hon Folotalu: This division looks after the functions of the Provincial Government Strengthening Program.

Head 284 agreed to.

Head 286: Ministry of Lands, Housing and Survey - \$16,136,315

Mr Sogavare: Just for the Minister to brief Parliament as this is a very important ministry on the plans of the Ministry to fill up the 17 important vacancies that exist in the Ministry.

Hon Sopaghe: The vacant positions will be advertised and then recruitment will take place.

Mr Sogavare: I want the Minister to confirm to the House these two pages here. Where is the Registrar General's office and these items here go to as page 341 have all zero allocations? And then under Lands Administration Management Unit, the same thing happens there as well. If anyone is employed under that unit, where are they paid from?

Hon Sopaghe: The Registrar General office has been shifted to the Ministry of Justice, and the other one, the Lands Administration division has moved to headquarters.

Mr Sogavare: I want the Minister to confirm to us some stories that we have heard. Is it true that the copyrights, and this is in relation to page 6088 - chart and map agency operating costs, the copyrights of maps produced by the ministry or whoever working there is not with the Solomon Islands Government, the Solomon Islands Government does not have copyrights to the maps? Can the Minister clarify this to us?

Hon. Sopaghe: We have to pay copyrights in Australia as we do not have it here in Solomon Islands.

Mr Sogavare: It is in the interest of national security and everything. I think rightfully, copyrights of every map made of this country must be the property of the Solomon Islands Government, and not anybody else. Why do we have to pay copyrights from different people on maps made about this country?

Hon. Sopage: This project still hangs over from the SISLAP project and we are yet to look into it.

Mr Sogavare: I just want to register with the government that you take this matter very seriously and quickly deal with the copyright map of Solomon Islands.

Hon. Sopaghe: We take note and will seriously look into it.

Mr Sogavare: Page 346 item 2030 – tribal land recording. How will this activity fit in with the government's reform program? The government is pursuing some reform agenda on land, and so how is this activity going to fit in with the government's reform program?

Hon. Sopage: The Ministry no longer pursues tribal land recording exercise. This is moved to the Prime Minister's Office under the reform program.

Mr Sogavare: So what are you going to do with this allocation of \$105,974?

Hon. Sopaghe: This allocation still hangs over from last year's allocation and is still not used.

Hon. Lilo: This task will be complementary. There is need for proper recording of tribal land in order for us to know which tribes really own land, if you a part of any tribe, and that is why tribal recording is complementary to what we will need to do to reform the constitution to give rights to the group of landowners owning a particular tribe or have ownership over land. That is the complementary aspect this tribal recording act will have.

At the moment, it still remains with the Ministry of Lands, because when the Lands Tribal Act was passed here it is still sitting down there, we cannot take it and

throw it away; it still remains there. When the whole issue of the fundamental reform comes to look into the constitution, it will fit in very well to recognize the recording that we have done about a group of tribe that own a particular boundary of land. That is what it is like.

Mr Wale: Page 347, two issues are there. One is on valuation fees where the same piece of land is valued by the ministry, the valuation is low, and the same piece of land not yet bulldozed, not even any development, the next day when it is valued by a private valuer or sometimes even valuers from the Ministry but are doing it privately, the value becomes very high. This has resulted obviously in loss of potential revenue to the government.

The other issue is on land rents. Because there is only \$4million projected income on it, it looks like the Ministry has given up collecting most of the backlogs because it is projecting a fairly low income on it when there has been some work that identified that potential to collect revenue on this is much bigger than what is projected here. I want to hear the Minister's view on this.

Hon Sopaghe: For information of the Member for Aoke/Langalanga, I think valuation done by the Ministry is low, but private businesses also want money, and that is why overnight the same piece of land becomes very high. That is on valuation when it is done by the Ministry compared to the private ones.

On the other question on fees, the Ministry is currently revising all the fees and by next year all the fees should increase.

Mr Sogavare: I also have a question on page 347 on the last item 6089 - land acquisition. Just to go in line with the program of the Government, and it is rural focused and constituency focused, the question is whether this allocation can be also available for constituencies that properly acquire land for development purposes? Can we access this assistance to properly acquire land?

Hon Sopaghe: Yes, this allocation is general, as long as it is requested through the Ministry.

Head 285 agreed to.

Head 286: Ministry of Development Planning and Aid Coordination - \$5,398,139

Mr. Sogavare: Item 2091 – Overseas travel/MPs. How many trips does the Minister envisage this year?

Hon. Lilo: The Minister will attend two trips, which are the bi-annual ACP Council of Ministers Meeting and the United Nations high level conference on the Millennium Development Goals and festival of countries meeting.

Mr. Sogavare: Item 4116 - project monitoring and evaluation. What is actually involved here? Does it involve officers traveling to the project sites to monitor and evaluate programs?

Hon. Lilo: Exactly, that is it. As you know, one of the projects that come under the purview of the Ministry is the RAMP, which is also funding development projects throughout the country. This provision is to provide for officers to go around verifying the implementation of the projects and to gather information as to the status of the success of the implementation, and then come back and report back so that we can have a good gauge as to how we have been implementing this program and whether or not we have achieved the objectives of creating good rural developments right down in rural Solomon Islands.

Mr. Sikua: Page 360, item 3104 on office rent. I know this whole ministry is housed in a private owned property. I just want to know how much the rental is of the property in a month and whether this allocation is enough.

Hon. Lilo: The rate is done on a quarterly basis, not monthly. It is at a rate of \$169,000 per quarter. I think there is an increase to be effective on the 1st of January 2011 and so for the next four quarter this increase will come into effect - \$169,000 per quarter.

Head 286 agreed to.

Head 287: Ministry of Culture and Tourism - \$12,934,318

Mr. Sogavare: The office rent, item 3104, can the Minister tell us which office and what rate is the rent?

Hon. Manetoali: It is the office that we are currently occupying at Point Cruz.

Dr. Sikua: The next item is office security, item 3150 on page 367 is a private owned property and so why is the government paying the security of his premise. I would think that that should be the responsibility of the landlord but we are spending more than \$200,000 of office security.

Hon. Manetoali: This office security does not only cover the private property, but it also looks after the museum, the national archives as well as the office we are occupying.

Mr Wale: I want to ask the Minister whether the Ministry has any plans in upgrading the museum as it is neglected and its human resource capacity is low and facilities are also not very good. The building itself too should rightly be put inside a museum too. There is need for resources, unfortunately allocations for it this year is the same as last year and so neglect seems to continue. But if the Minister cares to tell us about the Ministry's plans to improve the museum.

Hon. Manetoali: The national museum is one very important aspect and you will note in the Budget one or two things there, especially on repair and upkeep of the museum.

Next year is the Pacific Arts Festival, and so the plan to work on the museum is there and that is why you will see inside this Budget some funding there. Yes, the plan is there to fix the museum, repair it so that it is in order before the cultural festival next year.

Dr Sikua: Page 373 – item 6162 – provincial cultural festivals. There is an allocation there but I hardly hear of any provincial cultural festivals. Maybe only certain constituencies hold cultural festivals. In this case, if I want to hold one cultural festival in my constituency of North East Guadalcanal, can I apply for this grant?

Hon. Manetoali: On provincial cultural festivals – yes, there are provinces that have their cultural festivals, and even certain constituencies too that are also going ahead to hold their cultural festivals. If the Leader of Opposition is thinking of holding a cultural festival in his constituency, why not, you can apply to the ministry.

Head 287 agreed to.

Head 288: Ministry of Commerce, Industries and Employment - \$31,434,610

Mr Sogavare: I will ask a question on page 381, item 2091 - overseas travel - MPs. The Minister has just returned from an overseas trip, and the allocation here is only \$66,000 for trips this year. How many more overseas trips does the Minister envisage for this year, whether this allocation is adequate?

Hon Doromuala: I am expecting three more trips this year, and the allocation is already there.

Mr Sogavare: It looks like provisions will run out because this is only \$66,000, and you might need to ask the Minister of Finance to help you out for the three additional trips for this year.

Hon Doromuala: Some trips will be invitation trips.

Mr Sogavare: Page 382, item 4030 – conferences, seminars and workshops has a huge increase there. Can the Minister brief Parliament on a number of conferences you are planning for this year?

Hon Doromuala: There is the APCC meeting later in November 2011, which I also mentioned in my statement on Monday.

Mr Sogavare: Page 385 - foreign investment promotion is a very important function and activity. These two allocations, may be the Minister can inform us of any achievements in 2010. There is an identical allocation of \$200,000 over the two years. What really is the Ministry going to do under this allocation - this foreign investment promotion?

Hon. Doromuala: This is the usual foreign investment promotion in the provinces and the region, especially Australia and PNG.

Mr Sogavare: This is a very important activity, and so how exactly is the Ministry doing this in the provinces and overseas?

Hon. Muala: In the provinces, it would be during the premiers' conference through leaflets and website.

Mr Maneniaru: I am on page 387, item 4095 - trade facilitation which has zero provision this year. If the Minister can explain what is happening there?

Hon. Muala: Yes, funds have been relocated to item code 6153, and that is why it is zero there.

Mr Tozaka: Page 387 - business and cooperatives is a very important division. I just want to know whether this function is also available in the provinces or is centralized at the moment.

Hon Muala: It is also in Auki, Gizo, Buala and Kirakira.

Mr Sogavare: Item 4001 - trainings in general. Can the Minister inform us how many people were trained last year on this \$2.9million and how many will be trained this year?

Hon Doromuala: It is 3000 plus people.

Hon. Sikua: Page 391, item code 6038 - employment services. Can the Minister inform the committee on what kind of services the Ministry provides as employment services to the public or who?

Hon Doromuala: This is on work conditions and claims.

Mr Sogavare: On training related items 4004, 4009, 4010 and 4011. Are these for officers of the Ministry or is it opened to people outside of the Ministry? If it is available to people outside, how can people access it? Another follow up question is how many people are currently trained at the SICHE under this allocation?

Hon Doromuala: The courses were offered at the USP and SICHE for Ministry apprentice students from trade schools and SICHE.

Mr Sogavare: So is there a selection criterion that they must come from the RTCs? How are students selected to be funded under these allocations?

Hon. Doromuala: RTCs and secondary schools.

Mr. Sogavare: So those who are interested, would they apply direct to the Ministry? Is that the process?

Hon. Doromuala: The second year program students.

Mr. Sogavare: I just want to be clear again on this. How can we access this? Would people apply directly to the Ministry to be considered?

Hon. Doromuala: Yes, after completing first year at SICHE.

Head 288 agreed to.

Mr Chairman: Honourable Members, we have covered enough at the proceedings of this committee. I will now interrupt the proceedings of the committee.

Parliament resumes.

Hon. Lilo: I move that Parliament do now adjourn.

The House adjourned at 4.06pm